



Y-VENTURES
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Y VENTURES GROUP LTD.
(Company Registration No. 201300274R)

**CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER AND SIX MONTHS ENDED 30 JUNE 2023
("2Q 2023" & "1H 2023")**

*Pursuant to Rule 705(2C) of the Listing Manual Section B: Rules of Catalist ("**Catalist Rules**"), the Singapore Exchange Regulation requires the Company to continue to announce its quarterly financial statements with effect from 7 February 2020.*

*This announcement has been prepared by Y Ventures Group Ltd (the "**Company**") and its contents have been reviewed by the Company's Sponsor, RHT Capital Pte. Ltd. (the "**Sponsor**") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**").*

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assume no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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TABLE OF CONTENTS

	Page
A. Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income	1
B. Condensed Interim Statements of Financial Position	3
C. Condensed Interim Consolidated Statement of Cash Flows	4
D. Condensed Interim Statements of Changes in Equity	5
E. Notes to the Condensed Interim Consolidated Financial Statements	7
F. Other Information Required by Listing Rules Appendix 7C of the Catalist Rules	17

A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
PERIOD ENDED 30 JUNE 2023

		The Group		
	Note	2Q 2023 US\$	2Q 2022 US\$	Change %
Revenue	4	4,804,227	5,128,491	(6.3)
Cost of sales		(2,773,710)	(3,202,963)	(13.4)
Gross profit		<u>2,030,517</u>	<u>1,925,528</u>	5.5
Other income		14,421	32,199	(55.2)
Selling and distribution expenses		(1,397,462)	(1,522,725)	(8.2)
Administrative expenses		(684,781)	(1,032,072)	(33.6)
Results from operating activities		<u>(37,305)</u>	<u>(597,070)</u>	(93.8)
Finance income		2,236	30	NM
Finance costs		(1,666)	(41,319)	(96.0)
Net finance income/(costs)		<u>570</u>	<u>(41,289)</u>	NM
Loss before tax	6	(36,735)	(638,359)	(94.2)
Tax credit	7	-	1	NM
Loss for the period		<u>(36,735)</u>	<u>(638,358)</u>	(94.2)
Other comprehensive loss:				
<i>Items that are or may be reclassified subsequently to profit or loss:</i>				
Currency translation differences arising from consolidation		(11,837)	(16,707)	(29.1)
Total comprehensive loss for the period		<u>(48,572)</u>	<u>(655,065)</u>	(92.6)
Loss attributable to:				
Equity holders of the Company		(36,735)	(631,125)	(94.2)
Non-controlling interests		-	(7,233)	NM
		<u>(36,735)</u>	<u>(638,358)</u>	(94.2)
Total comprehensive loss attributable to:				
Equity holders of the Company		(48,574)	(648,049)	(92.5)
Non-controlling interests		2	(7,016)	NM
		<u>(48,572)</u>	<u>(655,065)</u>	(92.6)
Loss per ordinary share				
- Basic and diluted (US Cents) ⁽¹⁾		<u>(0.01)</u>	<u>(0.26)</u>	(96.2)

Note: (1) The calculation of EPS was based on number of shares 246,854,000 (2Q 2022: 246,854,000) in issue during the period.

NM – Not Meaningful

**A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
PERIOD ENDED 30 JUNE 2023 (CONT'D)**

		The Group		
	Note	1H 2023 US\$	1H 2022 US\$	Change %
Revenue	4	9,675,330	12,444,341	(22.3)
Cost of sales		(5,463,556)	(7,987,130)	(31.6)
Gross profit		<u>4,211,774</u>	<u>4,457,211</u>	(5.5)
Other income		50,927	69,293	(26.5)
Selling and distribution expenses		(2,937,913)	(3,986,278)	(26.3)
Administrative expenses		(1,407,553)	(1,863,322)	(24.5)
Results from operating activities		<u>(82,765)</u>	<u>(1,323,096)</u>	(93.7)
Finance income		2,475	40	NM
Finance costs		(8,485)	(55,763)	(84.8)
Net finance costs		<u>(6,010)</u>	<u>(55,723)</u>	(89.2)
Loss before tax	6	(88,775)	(1,378,819)	(93.6)
Tax expense	7	-	(12)	NM
Loss for the period		<u>(88,775)</u>	<u>(1,378,831)</u>	(93.6)
Other comprehensive loss:				
<i>Items that are or may be reclassified subsequently to profit or loss:</i>				
Currency translation differences arising from consolidation		(5,319)	(17,830)	(70.2)
Total comprehensive loss for the period		<u>(94,094)</u>	<u>(1,396,661)</u>	(93.3)
Loss attributable to:				
Equity holders of the Company		(88,745)	(1,246,506)	(92.9)
Non-controlling interests		(30)	(132,325)	(100.0)
		<u>(88,775)</u>	<u>(1,378,831)</u>	(93.6)
Total comprehensive loss attributable to:				
Equity holders of the Company		(94,078)	(1,264,503)	(92.6)
Non-controlling interests		(16)	(132,158)	(100.0)
		<u>(94,094)</u>	<u>(1,396,661)</u>	(93.3)
Loss per ordinary share				
- Basic and diluted (US Cents) ⁽¹⁾		<u>(0.04)</u>	<u>(0.50)</u>	(92.0)

Note: (1) The calculation of EPS was based on number of shares 246,854,000 (1H 2022: 246,854,000) in issue during the period.

NM – Not Meaningful

B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2023

		The Group		The Company	
		30 Jun 23	31 Dec 22	30 Jun 23	31 Dec 22
	Note	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>
ASSETS					
Current assets					
Inventories	9	13,313,803	11,333,229	-	-
Trade and other receivables		960,293	790,397	2,045,645	1,592,839
Cash and bank balances		1,126,013	1,671,751	348,240	272,259
		15,400,109	13,795,377	2,393,885	1,865,098
Non-current assets					
Property, plant and equipment	11	5,183	4,093	4,441	1,321
Right-of-use assets		99,721	154,516	-	-
Intangible assets	10	2,445	5,729	2,445	5,729
Investment in subsidiaries		-	-	1,198,734	1,161,310
		107,349	164,338	1,205,620	1,168,360
Total assets		15,507,458	13,959,715	3,599,505	3,033,458
LIABILITIES					
Current liabilities					
Trade and other payables		13,363,004	11,407,180	1,628,060	949,705
Tax payable		190,374	190,374	-	-
Borrowings	12	43,691	356,757	-	-
Contract liabilities		3,000	3,000	-	-
		13,600,069	11,957,311	1,628,060	949,705
Non-current liabilities					
Borrowings	12	59,748	60,669	-	-
Deferred tax liabilities		30,686	30,686	-	-
		90,434	91,355	-	-
Total liabilities		13,690,503	12,048,666	1,628,060	949,705
NET ASSETS		1,816,955	1,911,049	1,971,445	2,083,753
EQUITY					
Share capital	13	11,204,164	11,204,164	11,204,164	11,204,164
Currency translation reserve		224	5,557	-	-
Accumulated losses		(6,933,741)	(6,844,996)	(9,232,719)	(9,120,411)
Merger reserve	14	(2,455,477)	(2,455,477)	-	-
Equity attributable to equity holders of the Company		1,815,170	1,909,248	1,971,445	2,083,753
Non-controlling interests		1,785	1,801	-	-
Total equity		1,816,955	1,911,049	1,971,445	2,083,753

C. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
PERIOD ENDED 30 JUNE 2023

	1H 2023	1H 2022
	<u>US\$</u>	<u>US\$</u>
Cash flow from operating activities:		
Loss before tax	(88,775)	(1,378,819)
<u>Adjustments for:</u>		
Amortisation of intangible assets	3,284	3,284
Depreciation of investment property	-	15,224
Depreciation of property, plant and equipment	4,428	17,043
Depreciation of right-of-use assets	54,072	71,827
Interest expenses	4,807	51,077
Interest income	(2,475)	(40)
Interest portion of lease liabilities	3,678	4,686
Impairment loss on goodwill	-	157,004
Unrealised exchange gain	(758)	(754)
Operating cash flows before movements in working capital	(21,739)	(1,059,468)
<u>Working capital changes:</u>		
Inventories	(1,980,574)	1,145,260
Receivables	(169,896)	491,317
Payables and contract liabilities	1,955,824	(1,717,509)
Currency translation adjustments	3,043	(3,194)
Cash flows used in operations	(213,342)	(1,143,594)
Income tax paid	-	(1,406)
Interest received	2,475	40
Net cash used in operating activities	(210,867)	(1,144,960)
Cash flow from investing activities:		
Purchase of property, plant and equipment	(5,518)	(9,806)
Net cash used in investing activities	(5,518)	(9,806)
Cash flow from financing activities:		
Drawdown of borrowings	-	1,000,000
Repayment of borrowings	(260,344)	(254,576)
Repayment of lease liabilities	(52,885)	(69,801)
Interest paid on lease liabilities	(3,678)	(4,686)
Interest paid	(4,807)	(51,077)
Net cash (used in)/generated from financing activities	(321,714)	619,860
Net decrease in cash and cash equivalents	(538,099)	(534,906)
Cash and cash equivalents at beginning of financial period	1,671,751	1,537,758
Effects of exchange rates changes in cash and cash equivalents	(7,639)	(12,604)
Cash and cash equivalents at end of financial period	1,126,013	990,248

D. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
AS AT 30 JUNE 2023

The Group	Share capital	Currency translation reserve	Accumulated losses	Merger reserve	Equity attributable to equity holders of the Company	Non-controlling interests	Total
	US\$	US\$	US\$	US\$	US\$	US\$	US\$
At 1 January 2023	11,204,164	5,557	(6,844,996)	(2,455,477)	1,909,248	1,801	1,911,049
Loss for the period	-	-	(88,745)	-	(88,745)	(30)	(88,775)
Other comprehensive loss							
Currency translation differences arising from consolidation	-	(5,333)	-	-	(5,333)	14	(5,319)
Total comprehensive loss for the period	-	(5,333)	(88,745)	-	(94,078)	(16)	(94,094)
At 30 June 2023	11,204,164	224	(6,933,741)	(2,455,477)	1,815,170	1,785	1,816,955
At 1 January 2022	11,204,164	2,467	(5,487,564)	(2,455,477)	3,263,590	115,132	3,378,722
Loss for the period	-	-	(1,246,506)	-	(1,246,506)	(132,325)	(1,378,831)
Other comprehensive loss							
Currency translation differences arising from consolidation	-	(17,997)	-	-	(17,997)	167	(17,830)
Total comprehensive loss for the period	-	(17,997)	(1,246,506)	-	(1,264,503)	(132,158)	(1,396,661)
At 30 June 2022	11,204,164	(15,530)	(6,734,070)	(2,455,477)	1,999,087	(17,026)	1,982,061

D. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
AS AT 30 JUNE 2023

The Company	Share capital	Accumulated losses	Total
	US\$	US\$	US\$
At 1 January 2023	11,204,164	(9,120,411)	2,083,753
Net loss and comprehensive loss for the period	-	(112,308)	(112,308)
At 30 June 2023	11,204,164	(9,232,719)	1,971,445
At 1 January 2022	11,204,164	(7,704,769)	3,499,395
Net loss and comprehensive loss for the period	-	(215,231)	(215,231)
At 30 June 2022	11,204,164	(7,920,000)	3,284,164

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1 Corporate Information

Y Ventures Group Limited (the “**Company**”) (Co. Reg. No. 201300274R) was incorporated domiciled in Singapore and listed on the Catalist Board of Singapore Exchange Securities Trading Limited.

The registered office of the Company is at 60 Paya Lebar Road, #04-54 Paya Lebar Square, Singapore 409051.

These condensed interim financial statements as at and for the second quarter and six months period ended 30 June 2023 comprise the Company and its subsidiaries (together referred to as the “**Group**”).

The principal activity of the Company is that of an investment holding company. The principal activities of the Group are:

- a) E-commerce retail and distribution
- b) Logistics and freight forwarding services
- c) Waste management services

2 Basis of preparation

The condensed interim financial statements for the second quarter and six months ended 30 June 2023 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2022.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I) except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in United States Dollar (“US\$”) which is the Company’s functional currency.

2.1 New and revised standards adopted by the Group

On 1 January 2023, the Group has adopted the new and revised SFRS(I) and SFRS(I) Interpretation (“SFRS(I) INT”) that are relevant to its operations and effective for the current financial period. Changes to the Group’s accounting policies have been made as required, in accordance with the transactional provisions in the respective SFRS(I) and SFRS(I) INT.

The adoption of these new and revised SFRS(I) and SFRS(I) INT did not have any material effect of the financial results or position of the Group and the Company.

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

2.2 Use of estimates and judgements

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2022.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial period are include in the following notes:

- Note 9 – Write down of inventories

3 Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4 Segment and revenue information

The Group's reportable segments are described below:

- E-commerce retail and distribution
To market and distribute a range of merchandises, mainly books and journals, under third party brands through online market places under a distribution model.
Website: <https://yventures.com.sg>
- Logistics and freight forwarding services
To provide logistics to third party customers.
- Waste management services
To provide waste management services in Singapore known as "Junk To Clear".
Website: www.junktoclear.com.sg

The operating segments are reported in a manner consistent with internal reporting provided to Chief Executive Officer who is responsible for allocating resources and assessing performance of the operating segments.

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

4 Segment and revenue information (Cont'd)

Revenue

	The Group			
	2Q 2023	2Q 2022	1H 2023	1H 2022
	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>
E-commerce retail and distribution (Sales of goods)	4,620,624	4,938,803	9,330,798	12,087,597
Logistics and freight forwarding services	3,121	1,144	3,552	3,571
Waste management services	180,482	188,544	340,980	353,173
	<u>4,804,227</u>	<u>5,128,491</u>	<u>9,675,330</u>	<u>12,444,341</u>

Timing of revenue recognition

At a point in time	4,804,227	5,128,491	9,675,330	12,444,341
Over time	-	-	-	-
	<u>4,804,227</u>	<u>5,128,491</u>	<u>9,675,330</u>	<u>12,444,341</u>

Geographical information

Revenue from external customers for e-commerce retail and distribution segment are generated from online marketplaces. Geographical information for online marketplaces is not available, due to the nature of e-commerce, the end-consumers on the online marketplaces in United States of America ("USA") may not necessarily be residing in USA.

Revenue from external customers for logistics and freight forwarding services and waste management services segments are contributed by Singapore.

Property, plant and equipment and intangible assets are located in Singapore.

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

4 Segment and revenue information (Cont'd)

The Group	E-commerce retail and distribution		Logistics and freight forwarding services		Waste management services		Others		Eliminations		Per consolidated financial statements	
	2Q 2023	2Q 2022	2Q 2023	2Q 2022	2Q 2023	2Q 2022	2Q 2023	2Q 2022	2Q 2023	2Q 2022	2Q 2023	2Q 2022
	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>
Revenue												
External customers	4,620,624	4,938,803	3,121	1,144	180,482	188,544	-	-	-	-	4,804,227	5,128,491
Intersegment sales	-	-	-	62,023	20,621	351	-	-	(20,621)	(62,374)	-	-
Total revenue	4,620,624	4,938,803	3,121	63,167	201,103	188,895	-	-	(20,621)	(62,374)	4,804,227	5,128,491
Segment profit/(loss)	41,409	(335,523)	6,382	11,478	3,633	(365)	(58,028)	(58,914)	-	-	(6,604)	(383,324)
Depreciation	(12,281)	(36,166)	(15,241)	(14,475)	-	(4,034)	(1,537)	(424)	-	-	(29,059)	(55,099)
Amortisation	(1,642)	(1,643)	-	-	-	-	-	-	-	-	(1,642)	(1,643)
Interest Income	2,236	30	-	-	-	-	-	-	-	-	2,236	30
Impairment losses	-	(157,004)	-	-	-	-	-	-	-	-	-	(157,004)
Finance costs	(1,666)	(41,319)	-	-	-	-	-	-	-	-	(1,666)	(41,319)
Loss before tax											(36,735)	(638,359)
Income tax credit											-	1
Loss after tax											(36,735)	(638,358)

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

4 Segment and revenue information (Cont'd)

The Group	E-commerce retail and distribution		Logistics and freight forwarding services		Waste management services		Others		Eliminations		Per consolidated financial statements	
	1H 2023	1H 2022	1H 2023	1H 2022	1H 2023	1H 2022	1H 2023	1H 2022	1H 2023	1H 2022	1H 2023	1H 2022
	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>
Revenue												
External customers	9,330,798	12,087,597	3,552	3,571	340,980	353,173	-	-	-	-	9,675,330	12,444,341
Intersegment sales	-	-	18,162	78,130	34,373	351	-	-	(52,535)	(78,481)	-	-
Total revenue	9,330,798	12,087,597	21,714	81,701	375,353	353,524	-	-	(52,535)	(78,481)	9,675,330	12,444,341
Segment profit/(loss)	84,261	(1,043,087)	4,445	10,756	223	3,299	(109,910)	(29,682)	-	-	(20,981)	(1,058,714)
Depreciation	(25,264)	(65,802)	(30,686)	(29,243)	(152)	(8,198)	(2,398)	(851)	-	-	(58,500)	(104,094)
Amortisation	(3,284)	(3,284)	-	-	-	-	-	-	-	-	(3,284)	(3,284)
Interest Income	2,475	40	-	-	-	-	-	-	-	-	2,475	40
Impairment losses	-	(157,004)	-	-	-	-	-	-	-	-	-	(157,004)
Finance costs	(8,485)	(55,763)	-	-	-	-	-	-	-	-	(8,485)	(55,763)
Loss before tax											(88,775)	(1,378,819)
Income tax expense											-	(12)
Loss after tax											(88,775)	(1,378,831)

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

4 Segment and revenue information (Cont'd)

The Group	E-commerce retail and distribution		Logistics and freight forwarding services		Waste management services		Others		Eliminations		Per consolidated financial statements	
	1H 2023	1H 2022	1H 2023	1H 2022	1H 2023	1H 2022	1H 2023	1H 2022	1H 2023	1H 2022	1H 2023	1H 2022
	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>
Assets												
Segment assets	13,797,414	10,420,554	160,727	143,384	119,011	119,063	1,430,306	800,374	-	-	15,507,458	11,483,375
Unallocated assets											-	-
Total assets											<u>15,507,458</u>	<u>11,483,375</u>
Liabilities												
Segment liabilities	13,066,238	8,731,312	93,780	48,896	45,613	73,714	263,812	425,065	-	-	13,469,443	9,278,987
Unallocated liabilities											221,060	222,327
Total liabilities											<u>13,690,503</u>	<u>9,501,314</u>
Additions to non-current assets	-	77,053	-	-	-	1,777	5,518	-	-	-	<u>5,518</u>	<u>78,830</u>

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

5 Financial instruments

Financial instruments at their carrying amounts at reporting date are as follows:

	The Group		The Company	
	30 Jun 23	31 Dec 22	30 Jun 23	31 Dec 22
	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>
<i>Financial assets at amortised costs</i>				
Trade and other receivables	601,125	357,770	2,017,860	1,538,577
Cash and bank balances	1,126,013	1,671,751	348,240	272,259
	<u>1,727,138</u>	<u>2,029,521</u>	<u>2,366,100</u>	<u>1,810,836</u>
<i>Financial liabilities at amortised costs</i>				
Trade and other payables	13,279,922	11,231,707	1,580,592	891,244
Borrowings	103,439	417,426	-	-
	<u>13,383,361</u>	<u>11,649,133</u>	<u>1,580,592</u>	<u>891,244</u>

6 Loss before tax

Significant items

	The Group			
	2Q 2023	2Q 2022	1H 2023	1H 2022
	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>
Amortisation of intangible assets	1,642	1,643	3,284	3,284
Depreciation of investment property	-	7,612	-	15,224
Depreciation of property, plant and equipment	2,215	8,501	4,428	17,043
Depreciation of right-of-use assets	26,844	38,986	54,072	71,827
Foreign exchange loss/(gain), net	22,357	(44,074)	42,633	(71,693)
Interest expenses	-	38,483	4,807	51,077
Interest income	(2,236)	(30)	(2,475)	(40)
Interest portion on lease liabilities	1,666	2,836	3,678	4,686
Impairment loss on goodwill	-	157,004	-	157,004

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

7 Tax (credit) / expense

The Group calculate the period income tax (credit) / expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax (credit) / expense in the condensed interim consolidated profit or loss are:

	The Group			
	2Q 2023	2Q 2022	1H 2023	1H 2022
	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>
Current income tax (credit) / expense	-	(1)	-	12

8 Net assets value

	The Group		The Company	
	30 Jun 23	31 Dec 22	30 Jun 23	31 Dec 22
Net asset value per ordinary share based on issued share capital (US cents) ⁽¹⁾	0.74	0.77	0.80	0.84

Note: ⁽¹⁾ The calculation of net asset value per ordinary shares was based on 246,854,000 shares as of 30 June 2023 and 31 December 2022.

9 Inventories

	The Group	
	30 Jun 23	31 Dec 22
	<u>US\$</u>	<u>US\$</u>
Finished goods	13,313,803	11,333,229

Inventories recognised as an expense in cost of sales for the financial period ended 30 June 2023 amounted to US\$5,093,620 (31 December 2022 : US\$12,902,632).

The Group's inventories consist of books which are carried at the lower of cost and net realisable value. Inventories are written down below cost to net realisable value if they are slow-moving or if their selling prices have declined. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated selling expenses. Management identifies slow-moving inventories on a title-by-title basis by considering sales volume during the year, projected demand and publisher of the book title. Management estimates the net realisable value for inventories by taking into consideration recent sale price, average selling price for the year, publisher of the book title and current market conditions. Write-down of inventories to their net realisable values charged to the Group's profit or loss for the current financial period is Nil (31 December 2022: Nil).

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

10 Intangible assets

	The Group		The Company	
	30 Jun 23	31 Dec 22	30 Jun 23	31 Dec 22
	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>
Computer software development costs				
Cost				
At 1 January, 30 June and 31 December	53,623	53,623	19,702	19,702
Accumulated amortisation and impairment				
At 1 January	47,894	41,327	13,973	7,406
Amortisation charge	3,284	6,567	3,284	6,567
At 30 June and 31 December	51,178	47,894	17,257	13,973
Net carrying amount				
At 30 June and 31 December	2,445	5,729	2,445	5,729

11 Property, plant and equipment

During the six months ended 30 June 2023, the Group acquired assets amounting to US\$5,518 (31 December 2022 : US\$11,735) and disposed of assets is Nil (31 December 2022 : Nil).

12 Borrowings

	The Group	
	30 Jun 23	31 Dec 22
	<u>US\$</u>	<u>US\$</u>
Amount repayable in one year, or on demand		
Secured loan	-	260,344
Lease liabilities	43,691	96,413
	43,691	356,757
Amount repayable after one year		
Lease liabilities	59,748	60,669
	59,748	60,669
Total borrowings	103,439	417,426

Secured loan in 2022 was secured by inventories of a subsidiary with carrying value of US\$11.33 million. The secured loan was fully repaid during the year.

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

13 Share Capital

	The Group and Company			
	30 Jun 23		31 Dec 22	
	No. of shares		No. of shares	
	<u>'000</u>	<u>US\$</u>	<u>'000</u>	<u>US\$</u>
At 1 January, 30 June and 31 December	246,854	11,204,164	246,854	11,204,164

The Company did not have any outstanding options, convertibles or treasury shares as at 30 June 2023 and 31 December 2022.

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2023 and 31 December 2022.

14 Merger reserve

Merger reserve represents the difference between the consideration paid by the Company and the share capital of the subsidiaries acquired under common control.

15 Subsequent events

There are no known subsequent events which led to adjustments to this set of interim financial statements.

F. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7C OF THE CATALIST RULES

1 Review

The condensed interim statements of financial position of Y Ventures Group Ltd and its subsidiaries as at 30 June 2023 and the related condensed interim consolidated statement of profit or loss and other comprehensive income, condensed interim statements of changes in equity and condensed interim consolidated statement of cash flows for the second quarter and six months period then ended and certain explanatory notes have not been audited nor reviewed.

Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-

- (a) update on the efforts taken to resolve each outstanding audit issue; and
- (b) confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

Not applicable.

2 Review of the Performance of the Group

REVIEW OF FINANCIAL PERFORMANCE (CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME)

2Q 2023

Revenue

The revenue reduced by 6.3% or US\$0.33 million from US\$5.13 million in 2Q 2022 to US\$4.80 million in 2Q 2023.

Cost of sales

The cost of sales decreased by 13.4% or US\$0.43 million from US\$3.20 million in 2Q 2022 to US\$2.77 million in 2Q 2023 mainly due to the corresponding reduction in sales.

Gross profit and gross profit margin

The Group's gross profit increased by 5.5% or US\$0.10 million, from US\$1.93 million in 2Q 2022 to US\$2.03 million in 2Q 2023. The Gross profit margin improved from 37.5% in 2Q 2022 to 42.3% in 2Q 2023. This was mainly due to better margin on books sold.

Other Income

The other income decreased by 55.2% or US\$17,778 from US\$32,199 in 2Q 2022 to US\$14,421 in 2Q 2023 where the Company received lower government subsidies for wage credit and job support schemes.

Selling and distribution expenses

The selling and distribution expenses decreased by 8.2% or US\$0.12 million from US\$1.52 million in 2Q 2022 to US\$1.40 million in 2Q 2023 mainly due to the corresponding reduction in sales.

F. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7C OF THE CATALIST RULES (CONT'D)

REVIEW OF FINANCIAL PERFORMANCE (CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME) (CONT'D)

Finance costs

The finance costs decreased by US\$39,653 from US\$41,319 in 2Q 2022 to US\$1,666 in 2Q 2023 due to the lower utilisation of credit facilities.

Administrative expenses

The administrative expenses decreased by 33.6% or US\$0.35 million from US\$1.03 million in 2Q 2022 to US\$0.68 million in 2Q 2023 mainly due to tighter cost control measures being in place and absence of impairment loss on goodwill of US\$0.16 million which occurred in 2Q 2022.

Loss for the period

The loss before tax was US\$0.04 million in 2Q 2023 and US\$0.64 million in 2Q 2022 was mainly due an increase in gross profit of US\$0.10 million together with a decrease in finance costs of US\$0.04 million; administrative expenses of US\$0.35 million and selling and distribution expenses of US\$0.12 million, offset with the decrease in other income of US\$0.02 million.

1H 2023

Revenue

The revenue reduced by 22.3% or US\$2.76 million from US\$12.44 million in 1H 2022 to US\$9.68 million in 1H 2023.

Cost of sales

The cost of sales decreased by 31.6% or US\$2.53 million from US\$7.99 million in 1H 2022 to US\$5.46 million in 1H 2023 mainly due to the corresponding reduction in sales.

Gross profit and gross profit margin

The Group's gross profit decreased by 5.5% or US\$0.25 million, from US\$4.46 million in 1H 2022 to US\$4.21 million in 1H 2023. The Gross profit margin improved from 35.8% in 1H 2022 to 43.5% in 1H 2023. . This was mainly due to better margin on books sold.

Other Income

The other income decreased by 26.5% or US\$18,366 from US\$69,293 in 1H 2022 to US\$50,927 in 1H 2023 due to the Company received lower government subsidies for wage credit and job support schemes.

Selling and distribution expenses

The selling and distribution expenses decreased by 26.3% or US\$1.05 million from US\$3.99 million in 1H 2022 to US\$2.94 million in 1H 2023 mainly due to the corresponding reduction in sales.

F. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7C OF THE CATALIST RULES (CONT'D)

REVIEW OF FINANCIAL PERFORMANCE (CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME) (CONT'D)

Finance costs

The finance costs decreased by US\$47,278 from US\$55,763 in 1H 2022 to US\$8,485 in 1H 2023 due to lower utilisation of credit facilities.

Administrative expenses

The administrative expenses decreased by 24.5% or US\$0.45 million from US\$1.86 million in 1H 2022 to US\$1.41 million in 1H 2023 mainly due to tighter cost control measures being in place and absence of impairment loss on goodwill of US\$0.16 million which occurred in 2Q 2022.

Loss for the period

The loss before tax was US\$0.09 million in 1H 2023 and US\$1.38 million in 1H 2022 was mainly due a decrease in gross profit of US\$0.25 million and other income of US\$0.02 million, offset with the decrease in finance costs of US\$0.05 million together with the decrease in administrative expenses of US\$0.45 million and selling and distribution expenses of US\$1.05 million.

REVIEW OF FINANCIAL POSITION (CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION)

Current assets

The current assets increased by 11.6% or US\$1.60 million from US\$13.80 million as at 31 December 2022 to US\$15.40 million as at 30 June 2023. This was mainly due to the increase in inventories and trade and other receivables, offset against the decrease in cash and bank balances.

Non-current assets

Non-current assets decreased by 34.7% or US\$56,989 from US\$164,338 as at 31 December 2022 to US\$107,349 at 30 June 2023. This was primarily due to the periodic depreciation/amortisation of non-current assets.

Current liabilities

The current liabilities increased by 13.7% or US\$1.64 million from US\$11.96 million as at 31 December 2022 and US\$13.60 million as at 30 June 2023. This was mainly due to the increase in trade and other payables from the purchase of inventories and offset against the decrease in borrowings.

Non-current liabilities

Non-current liabilities remain relatively stable at US\$91,355 as at 31 December 2022 and US\$90,434 as at 30 June 2023.

Working capital

The Group working capital decreased by 2.1% or US\$0.04 million from US\$1.84 million as at 31 December 2022 to US\$1.80 million as at 30 June 2023.

Shareholders' equity

The Group's shareholders' equity attributable to equity holders decreased by 4.9% or US\$0.09 million from US\$1.91 million as at 31 December 2022 to US\$1.82 million as at 30 June 2023 mainly due to loss incurred in 1H 2023.

F. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7C OF THE CATALIST RULES (CONT'D)

REVIEW OF CASH POSITION (CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS)

Net cash flow used in operating activities for 1H 2023 was US\$0.21 million, comprising mainly operating cash outflow before working capital of approximately US\$0.02 million and working capital outflow of US\$0.19 million. The working capital outflow was largely due to increase in purchase of inventories of US\$1.98 million and trade and other receivables of US\$0.17 million offset against increase in trade and other payables of US\$1.96 million.

Net cash used in investing activities of US\$5,518 was mainly from purchase of property, plant and equipment.

Net cash used in financing activities of US\$0.32 million was mainly due to repayment of borrowings.

Overall, the cash and cash equivalents of the Group decreased in 1H 2023, ending the period with cash and cash equivalents of US\$1.13 million.

3 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable. No forecast prospect statements have been previously disclosed to shareholders.

4 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

In light of rising interest rates and ongoing inflationary pressures, the global economic environment, particularly in the USA, is experiencing marked volatility. These dynamics are significantly altering consumer spending habits within the ecommerce sector. Amid these uncertainties, the Company remain proactive in upholding a cost-effective and efficient infrastructure. The Company will focus on boosting operational efficiency, wisely managing cash reserves, and judiciously pursuing growth within our established businesses as well as potential adjacent opportunities.

Save as disclosed herein, there are no known material factors or events which may affect the earnings of the Group as of the date of announcement.

The independent review carried out Deloitte & Touche Enterprise Risk Services Pte Ltd ("Deloitte") was completed and announced on 16 March 2021. The Group noted that internal control weaknesses identified by Deloitte and had implemented their recommendations or undertaken alternative measures. On the same day, SGX RegCo announced that they will investigate further potential Catalist listing rule breaches by the Company, its directors and/or key executive officers as highlighted in the Independent Review report. SGX RegCo also stated in their announcement that the Company has implemented all internal control recommendations highlighted in Deloitte's report. SGX RegCo expects the audit committee to continue to monitor the internal controls in its finance function and includes these areas of review as part of the scope of its annual internal audit.

The Company will inform shareholders when there is any new development in due course.

F. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7C OF THE CATALIST RULES (CONT'D)

5 Dividend Information

(a) Whether an interim (final) dividend has been declared (recommended); and

Not applicable.

(b) (i) Amount per share in cents

Not applicable.

(ii) Previous corresponding period in cents

Not applicable.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00pm) will be registered before entitlements to the dividend are determined.

Not applicable.

6 If no dividend has been declared/recommended, a statement to that effect and the reason(s) for that decision.

No interim dividend is declared or recommended for the current financial reporting period 1H 2023 to conserve cash in current uncertain market conditions.

7 If the Group has obtained a general mandate from shareholders for interested persons transactions ("IPT") the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group does not have a general mandate from shareholders for IPT. There were no IPT of S\$100,000 or more entered into by the Group during the period under review.

F. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7C OF THE CATALIST RULES (CONT'D)

8 Use of Placement Proceeds

- (A) The proceeds of S\$2.0 million from the placement of 24,660,000 new ordinary shares as announced on 23 September 2019, 4 and 9 October 2019, 27 May, 24 June and 8 September 2022 have been fully utilised.
- (B) The Company received proceeds of S\$840,000 from the placement of 12 million new ordinary shares as announced on 15, 24 and 28 December 2020 and 12 August 2021 and the utilisation of the proceeds as at the date of this announcement is as follows:

Use of proceeds from new shares placement	Amount allocated S\$	Amount utilised as at 30 June 2023 S\$	Amount unutilised as at 30 June 2023 S\$
Business expansion through mergers and acquisitions, joint ventures, strategic collaborations and investments	500,000	(250,001)	249,999
General working capital ⁽¹⁾	340,000	(340,000)	-
Total ⁽²⁾	840,000	(590,001)	249,999

Notes:

- (1) Utilised mainly for the payment to suppliers for the purchase of books.
- (2) Includes professional fees and related expenses approximately S\$49,200 incurred in respect of the December 2020 Placement Exercise.

9 Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)

The Company confirms that it has procured undertakings from all its Directors and Executive Officers in the required format.

F. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7C OF THE CATALIST RULES (CONT'D)

10 Negative Assurance Confirmation on Condensed Interim Financial Results Pursuant to Rule 705(5) of the Catalist Rule

Having considered, including but not limited to, the following:

- whether the financial statements provide a balance and fair value of any material factors that have affected the Company's business conditions and financial position; and
- all material information has been assessed to ensure reliability of the financial statement,

on behalf of the Board, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the interim financial information for the second quarter and six months period ended 30 June 2023 to be false or misleading in any material aspect.

**BY ORDER OF THE BOARD
Y VENTURES GROUP LTD.**

Low Yik Sen, Adam
Executive Chairman

Low Yik Jin, Alex
Chief Executive Officer and Executive Director

11 August 2023